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Proposed programme budget for the biennium 2002-2003

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia, judges of the International Criminal Tribunal for Rwanda and ad litem judges of the International Tribunal for the Former Yugoslavia

Third report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2002-2003

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the conditions of service and compensation for the members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia, judges of the International Criminal Tribunal for Rwanda and ad litem judges of the International Tribunal for the Former Yugoslavia (A/C.5/56/14). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. Part one of the report of the Secretary-General deals with conditions of service and compensation for the members of the International Court of Justice, part two focuses on the judges of the International Tribunals and the ad litem judges, and part three contains an analysis and recommendations concerning remuneration, including adjustment for currency fluctuation and cost of living, and other conditions of service, including pensions and financial implications.

3. The Advisory Committee notes that the annual emoluments of the members of the ICJ, the judges of the Tribunals and the ad litem judges should be maintained at their current level of $160,000. Moreover, the Secretary-General indicates that the mechanism used to regulate emoluments against the weakening or strengthening of the United States dollar against the guilder continued to provide adequate protection of the value of the level of salary of the judges over the three-year period from 1999 to 2001 (ibid., paras. 89-90). The Secretary-General proposes, therefore, to continue the same floor/ceiling mechanism applied to the emoluments of the judges following the formal introduction of the European currency, the euro, beginning 1 January 2002. **The Committee has no objection to the Secretary-General's proposals.**

4. The Advisory Committee notes the view of the Secretary-General that consideration should be given to increasing the special allowance of the President of the Court from $15,000 to $20,000, which would represent

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an increase of some 30 per cent over the current level of the allowance. A commensurate increase in the allowance of the Vice-President when acting as President would result in the daily subsistence allowance of the Vice-President being increased from $94 per day to $125 per day, subject to a maximum of $12,500 per year (ibid., para. 91).

5. **The Advisory Committee is not convinced at this stage of the need to increase the level of the special allowance for the President and for the Vice-President when acting as President and, accordingly, it recommends against the proposal.**

6. **The Advisory Committee has no objection to extending to the members of the Court and judges of the Tribunals the increase in the level of education grant (including that for disabled children), effective 1 January 2001, applicable to staff in the Professional and higher categories approved by the General Assembly in section I.E of its resolution 55/223 of 23 December 2000.**

7. As indicated in the report of the Secretary-General, the reference to an installation grant in the travel and subsistence regulations applicable to the members of the Court and judges of the Tribunals would be revised to make reference to an assignment grant in order to better reflect the fact that under the terms of General Assembly resolution 44/198 of 21 December 1989, the entitlement under installation grant was discontinued and replaced by the assignment grant (ibid., para. 97). **The Advisory Committee has no objection to the revision.**

8. The Advisory Committee takes note of the comments and observations of the Secretary-General on health insurance (ibid., paras. 98-99) and **reiterates its view that the members of the International Court of Justice should cover the total cost of their participation in the health insurance plans and that the Organization should not have to contribute at all to the cost of their participation.**[1]

9. The Advisory Committee takes note of the information on the application of certain entitlements that may arise based on the hardship classification of duty stations (ibid., para. 100). The Secretariat clarified, upon enquiry, that the reference to an installation grant reflected outdated travel and subsistence regulations and that the term would be changed to "assignment grant" (see para. 7 above). **The Committee has no objection to the proposed change in the home leave travel of the judges of the International Criminal Tribunal for Rwanda to take account of the hardship classification of the duty station.**

10. The Secretary-General provided information on pensions to be paid to former members of the International Court of Justice (A/C.5/56/14, paras. 40, 41 and 102). The Advisory Committee notes the view of the Secretary-General that the issue of pensions in payment should be brought to the attention of the General Assembly. **The Committee points out in this connection that a pension entitlement is established at the time of retirement and the conditions of service in effect at that time. Moreover, the Committee recalls that it had recommended and the General Assembly had approved a recommendation that pensions in payment be automatically revised by the same percentage and at the same date as salary adjustments;**[2] **the Committee is of the view that this recommendation continues to provide the necessary protection for pensions in payment against an increase in the cost of living.**

11. With regard to the issue of pension benefits of the judges the Tribunals (see ibid., paras. 60-66 and 103), the Advisory Committee notes the view of the Secretary-General that the existing disparity between the pension benefits of the judges of the International Tribunal for the Former Yugoslavia and those of the members of the International Court of Justice should be brought to the attention of the General Assembly. The Committee observes that the Assembly approved a pension scheme for the judges of the Tribunals based on its previous recommendations,[3] whereby the Committee recommended that the pension benefits of the judges of the Tribunals should be based on those applicable to the judges of the International Court of Justice, prorated to account for the difference in length in the term of appointment, namely, nine years for the members of the Court versus four years for the judges of the Tribunals. **The Committee reiterates its view on this matter and therefore does not recommend any change in the current arrangement with regard to the pension benefits of judges of the two Tribunals.**

12. The Advisory Committee notes that the Secretary-General is of the view that the issue of providing educational assistance to the ad litem judges should be brought to the attention of the General Assembly, as it is the sole authority able to determine

the conditions of service of the ad litem judges (ibid., para. 105). The Committee recalls that it had recommended that ad litem judges should not be entitled to receive an education allowance, given the uncertainty of the length of appointment and taking into account the probability of breaks in service (A/55/806, para. 11). This recommendation was endorsed by the Assembly in its resolution 55/249 of 12 April 2001. **The Committee finds no justification for changing its position on this matter.**

13. The Advisory Committee takes note of the clarification of service-related injuries and illnesses (A/C.5/56/14, para. 106), namely, that the determination of disability due to injury or illness of ad litem judges of the International Tribunal for the Former Yugoslavia would be based on the guidelines set out in Secretary-General's bulletin ST/SGB/103/Rev.1, entitled "Rules Governing Compensation to Members of Commissions, Committees or Similar Bodies in the Event of Death, Injury or Illness Attributable to Service with the United Nations".

Notes

[1] *Official Records of the General Assembly, Fiftieth Session, Supplement No. 7A* (A/50/7/Add.1-16), document No. A/50/7/Add.11, para. 10.

[2] Ibid., *Fifty-third Session, Supplement No. 7* (A/53/7 and Add.1-15), document A/53/7/Add.6, para. 20.

[3] Ibid., para. 29.

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Proposed programme budget for the biennium 2002-2003

Part IV
International cooperation for development

Section 11B
International Trade Centre UNCTAD/WTO

Fourth report of the Advisory Committee for Administrative and Budgetary Questions on the proposed programme budget for the biennium 2002-2003

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/56/6/Add.1 (Sect. 11B)) containing the proposed programme budget for the International Trade Centre UNCTAD/WTO (ITC) for 2002-2003. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General at Headquarters and exchanged views with the representatives of the Centre in Geneva, through videoconferencing.

2. The Committee notes that the proposed budget is presented in accordance with the procedure and administrative arrangements outlined and recommended by the Advisory Committee in paragraph 11 of its report (A/53/7/Add.3), and endorsed by the General Assembly in its decision 53/411 B of 18 December 1998. In line with those arrangements, the Secretary-General submitted an outline for the proposed programme budget for the biennium 2002-2003 for ITC, as called for in the decision (see A/55/797). The estimated total resources indicated therein for the biennium 2002-2003 amounted to 60,544,600 Swiss francs, with income estimated at Sw F 1,000,000 and the United Nations share of the costs at Sw F 29,772,300 (equivalent to US$ 16,916,100 at the exchange rate of Sw F 1.76 to US$ 1). The increase of 3.7 per cent in real terms compared to the biennium 2000-2001 was attributed to the decision to fund an annual meeting of the Executive Forum and to strengthen the in-house expertise of ITC electronic trade, considered an increasingly critical factor in any export development strategy (A/55/7/Add.10, para. 3). The Committee, in its report (A/55/7/Add.10), recommended approval of the budget outline and the General Assembly, at its resumed fifty-fifth session, in its decision

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55/483 of 14 June 2001, took note of the report of the Secretary-General concurring with the related observations and recommendations of the Committee.

3. The Committee notes from the information contained in table 11B.1 and paragraph 11B.4 that the requirements of the International Trade Centre for 2002-2003 are estimated at Sw F 60,555,700. The updated amount represents an increase in real terms of 3.1 per cent instead of the 3.7 per cent indicated in the outline because of the availability of more precise data at the time of the preparation of the current submission. The biennial contribution of each organization is Sw F 30,277,900.

4. The Committee further notes that, on the basis of the exchange rate of Sw F 1.76 to US$ 1.00, the provision requested for the United Nations contribution for the biennium 2002-2003 would amount to $17,203,350, which as indicated in paragraph 11B.5 exceeds by some $287,250 the figure provided in the outline.

5. The Committee recalls that the World Trade Organization (WTO) reviews its budget on an annual basis, including its contribution to ITC. The Committee was informed that the estimates for ITC for 2002 were reviewed by the WTO Committee on Budget, Finance and Administration on 23 November 2001 and that, based on that review, it would be recommending to the WTO General Council the approval of the budget in the amount of Sw F 30,632,700 for ITC for 2002.

6. The Committee welcomes the presentation in the results-based budgeting format. In this regard, however, the Committee reiterates the observations and recommendations contained in paragraphs 4 to 18 of chapter I of its first report on the proposed programme budget for 2002-2003,[1] regarding the need for quantifiable and precise indicators of achievement. The Committee also recommends that the information contained in table 11B.1 be expanded to indicate the changes in percentage terms from one biennium to another.

7. The Committee recalls that the Executive Forum initiative was launched in 1999, on a trial basis, with a view towards strengthening the capacity of developing countries and countries with economies in transition to formulate and manage national export strategies. The process, which follows a 12-month cycle, was completed in 1999, in 2000 and currently in 2001 through extrabudgetary funding. In paragraph 4 of its report (A/55/7/Add.10), the Committee indicated that, due to its success, the view of ITC was that the Executive Forum should not be sustained without regular budget resources, noting that the activity was within the purview of the implementation of subprogramme 6 of programme 9 (Trade and Development), of the medium-term plan for the period 2002-2005 by the International Trade Centre. The proposal, therefore, is to mainstream the Executive Forum into the overall programme of work of ITC, to provide for predictable and ongoing regular budget resources for the related core activities while devoting extrabudgetary resources to the implementation at the field or regional level.

8. In that connection, the Committee was informed, upon enquiry, that the amount of regular budget resources included in the current presentation for the core activities of the Executive Forum during the biennium 2002-2003 amounted to approximately $400,000 (Sw F 750,000). A breakdown of the proposed staff and other increases, provided to the Committee is contained in the annex to the present report.

9. As shown in table 11B.2, the proposed number of regular budget posts for the Centre for 2002-2003 is 148 (74 Professional and 74 General Service), compared to 146 posts authorized for 2000-2001 (68 Professional and 78 General Service). The Committee notes that the increase in post-related requirements of $476,900 (1 per cent) over the 2000-2001 approved budget includes the establishment of six Professional posts (1 P-5, 2 P-3 and 3 P-2), partially offset by the abolition of four General Service posts, shown in table A.11B.2 and explained in paragraphs A.11B.2 to A.11B.4. These changes are the result of the strengthening of the areas related to electronic trade and information technology of the Centre. Furthermore, the reclassification to the P-5 level of the post for the Chief of the Information and Communications Section is also proposed to better reflect the level of responsibilities, which include the overall management of the central information technology section. **The Advisory Committee recommends acceptance of the staffing proposals.**

10. A provision for Sw F 828,600 is indicated in table A.11B.1 under consultants. The Committee notes that, of this total amount, Sw F 585,000 relates to assistance and participation in issues and meetings related to the Executive Forum, as indicated in paragraph A.11B.6; Sw F 219,600 relates to the introduction of the Integrated Management Information System (IMIS) in ITC (its implementation and customization of reports and future ITC requirements) and Sw F 24,000 relates to the actuarial study on the liability of the organization for after-service health insurance benefits. The Committee notes that the latter two provisions are of a non-recurrent nature.

11. The increase of Sw F 182,800, or 5.8 per cent over the Sw F 3,138,100 approved for 2000-2001, under contractual services mostly relates to system development costs related to the implementation of E-strategies and integration of IMIS data with other ITC systems (see para. A.11B.8 (e)). The provision for furniture and equipment also increases by Sw F 172,800 over the approved amount of Sw F 725,900 for 2000-2001 in view of the need to acquire and replace office automated and information technology equipment (Sw F 516,200) and furniture, building accommodation equipment, software and internal reproduction equipment (Sw F 382,500).

12. In paragraph 11B.6 it is noted that at the thirty-fourth session of the Joint Advisory Group, held in the spring of 2001, a proposal was made for issuing official documentation of the Group in the Arabic and Chinese languages, in addition to the current languages of issuance (English, French, Russian and Spanish). While observing that the administrative costs for this purpose should not be increased, it was agreed to bring the issue to the attention of the parent bodies of ITC. The Committee was informed that the related costs would amount to Sw F 98,000 for the biennium and that the report of the Joint Advisory Group had been submitted to WTO and the Trade and Development Board of the United Nations Conference on Trade and Development. No decision has been taken in this regard.

13. The Committee recalls that, in paragraph 6 of its report (A/55/7/Add.10), it requested that information be provided in the context of the submission of the budget of ITC for the biennium 2002-2003 as to the experience in applying the revised administrative arrangements endorsed by the General Assembly in its decision 53/411 B. The Committee was informed that the current submission, being the second one to be presented in compliance with the revised administrative

arrangements, would allow ITC to gain a better perspective of the functioning of the arrangements. ITC, therefore, will prepare a report for submission to the Advisory Committee and WTO during the first quarter of 2002 on the lessons learned (table 11B.4). The Committee will make further comments when it considers the awaited report. **In the meantime, the Committee recommends approval of the proposed resources under section 11B for the International Trade Centre UNCTAD/WTO.**

Annex

Excerpt of the ITC budget document submitted to WTO (document ITC/BUD/40)

Additional resources

1. The draft outline and outline documents already submitted to the CBFA for its review earlier this year highlighted areas in which real growth was proposed. The increases were estimated at CHF 1,122,000, relating to: (i) the Executive Forum on National Export Strategies, (ii) Electronic trade, (iii) the implementation of the financial system, IMIS (the UN's Integrated Management Information System), (iv) improved security coverage, (v) information and communication technology (ICT), and (vi) regradings. ITC is still proposing much the same but in view of the unavoidable statutory cost increases, have revised the overall proposal to a reduced level[1]:

Breakdown of proposed staff and other increases

	2002 proposed increases		
	Staff	Other	Total
Executive Forum on National Export Strategies	292,500	57,500	350,000
Electronic trade	227,600		227,600
IMIS	91,300	97,100	188,400
Information, Communications and Technology		100,000	100,000
Improved security coverage		60,000	60,000
Regradings	49,400		49,400
Subtotal	660,800	314,600	975,400
Miscellaneous increases (decreases):			
Temporary assistance	(57,100)		(57,100)
Other net increases (decreases)		1,300	1,300
Total	603,700	315,900	919,600

[1] For the Executive Forum, costs have been reduced mainly by mainstreaming some of the related publications into the regular publications programme. The two posts required for strengthening ITC's in-house capacity in the area of electronic trade are proposed for only partial funding in 2002 to take into account the recruitment process. The information technology requirements mainly relating to system design and development and consultancy requirements for implementing the finance and payroll releases of IMIS and provisions for temporary assistance for subsequent development or modification of reporting tools have been scaled back slightly. The cost of improved security coverage estimated at CHF 80,000 is being phased in during 2002, thus reducing the overall requirements by CHF 20,000 in 2002.

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Revised estimates: effect of changes in rates of exchange and inflation

Fifth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2002-2003

1. The Advisory Committee has considered the report of the Secretary-General (A/56/659) containing revised estimates resulting from the effect of changes in rates of exchange and inflation. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The impact of the proposed recosting on the proposed programme budget for 2002-2003 is an increase of $35,270,900 under the expenditure sections, from $2,648,715,600 to $2,681,022,900, and a net increase of $8,173,200 under the income sections, from $400,166,100 to $408,339,300. The revised requirements under the expenditure sections of $2,681,022,900 reflects a combined effect of reduced requirements of $2,963,600 due to adjustments to the initial proposed programme budget recommended by the Advisory Committee and additional requirements resulting from revised exchange rate assumptions ($8,420,600), revised inflation assumptions ($26,337,000) and adjustment of salary standards ($513,300).

3. The Advisory Committee points out that the adjustments to the proposed programme budget resulting from its recommendations have yet to be acted upon by the General Assembly.

4. In paragraphs 5 to 9 of the report (A/56/659) details are provided on the methodology used in the recosting of exchange rate fluctuations, inflation and adjustments to salary standards. As indicated in paragraph 5 of the report, consistent with the views of the Advisory Committee, the recosting exercise reflects such operational rates of exchange that would allow for the lower estimates.

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5. The Advisory Committee has found no technical basis for objecting to the Secretary-General's revised estimates arising from the recosting of the effects of changes in rates of exchange and inflation and accordingly transmits them to the Fifth Committee for consideration.